

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-57361; File No. SR-Phlx-2008-06)

February 20, 2008

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to U.S. Dollar-Settled FCO Spot Prices

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 28, 2008, the Philadelphia Stock Exchange, Inc. (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been substantially prepared by the Exchange. On February 19, 2008, the Exchange filed Amendment No. 1 to the proposed rule change. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Phlx proposes to amend Exchange Rules 722, “Margin Accounts,” 1000, “Applicability, Definitions and References,” and 1012, “Series of Options Open for Trading.” These amendments are proposed in order to change the term “Spot Sales Price” in Rule 1000(b)(16) to “Spot Price” (the term “Spot Price” will be used hereafter in this proposed rule change), and to amend the definition of Spot Price so that it may include foreign currency quotes of entities other than commercial banks. Specifically, the Exchange wishes to use certain bid and ask prices (“Thomson Quotes”) provided by Tenfore Systems Limited (“Tenfore”)<sup>3</sup> through

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Tenfore is an independent provider of globally sourced real time market data.

Thomson Financial LLC ("Thomson") as Spot Prices commencing April 1, 2008. The Exchange is proposing that these new Spot Prices will be used by the Exchange in determining applicable margin requirements and strike prices for the Exchange's U.S. dollar-settled foreign currency options ("FCOs"). The text of the proposed rule change is available on the Exchange's Web site at [http://www.Phlx.com/exchange/phlx\\_rule\\_fil.html](http://www.Phlx.com/exchange/phlx_rule_fil.html), at the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to permit the Exchange to use the Thomson Quotes as the Spot Prices that will be the basis for calculating Phlx's current spot price of foreign currencies for various purposes. The current spot price is used by the Exchange in connection with its determination of strike prices and margin requirements for its FCO contracts.<sup>4</sup>

The Exchange is required pursuant to Rule 1012, "Series of Options Open for Trading," to refer to the spot prices of foreign currencies in determining strike prices for U.S. dollar-settled

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<sup>4</sup> As noted above, the Exchange is substituting the term "Spot Prices" for the defined term "Spot Sales Prices" in Rule 1000(b)(16), as a clarification that this defined term includes both bids and offers made by participants in the foreign currency markets (as opposed to offers only).











